

Michaud Leads Fight Against

Tuesday, July 18 2006

WASHINGTON, D.C. - Today, Congressman Mike Michaud led a bipartisan group of Members of Congress in speaking out against the Oman Free Trade Agreement (OFTA) that the House is expected to consider on Thursday. Joining Michaud were Defense Appropriations Ranking Member Rep. John Murtha (D-PA); Senior Armed Services Committee Member Rep. Walter Jones (R-NC); Armed Services Subcommittee Ranking Member Rep. Gene Taylor (D-MS); and Government Reform Subcommittee on National Security, Emerging Threats & International Relations Member Rep. Linda Sanchez (D-CA).

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"It is bad enough that we are asked to support agreements that will ship more jobs overseas, that undermine our environmental standards, and that ask us to stick our head in the sand over serious human rights violations - but it is simply unacceptable to ask this Congress to support legislation that could potentially undermine the security of our nation," said Michaud.

Buried in OFTA is a provision that undermines Congress' ability to protect the security of U.S. ports. OFTA would grant firms incorporated in Oman a "right of establishment" to acquire and operate landside port activities within the United States. OFTA's privileges apply to Omani firms as well as any firm incorporated and operating in Oman.

If Dubai Ports World sets up in Oman and Congress intervened in an attempted acquisition as occurred this past spring, OFTA would empower Dubai Ports World to drag the U.S. before a U.N. or World Bank tribunal to demand that we compensate them with taxpayer dollars for "future expected profits" lost because Congress undermined a new OFTA right to operate.

"Simply put, foreign tribunals should not determine what is in fact a security threat to the United States. This provision should not be in this trade agreement and this Congress should not be asked to support it," said Michaud.

Proponents of OFTA are trying to control growing opposition by arguing that the agreement contains an "Essential Security" standard that somehow protects against challenges. Unfortunately, it does not - that provision would not halt challenges to US decisions.

"Now you might say - what does Oman have against us? I am not worried about the Sultan of Oman," said Murtha. "I doubt he would consider it in his interest to drag the U.S. to a foreign tribunal. He has been very helpful in facilitating U.S. troop movements in the area. The problem is that under this agreement any private investor or company operating in Oman can drag the U.S. government to one of these foreign tribunals."

"Because the U.S. allows other foreign port operating firms within the U.S., we can't claim simply that any foreign firms in our ports is a security threat," said Murtha. We must show a specific threat to convince the foreign tribunal. So, the best case scenario is that we spend significant money and reveal national security secrets trying to convince a foreign tribunal that were justified in violating OFTA. This is not a gamble I am willing to take with our nation's national security."

At the end of June, Michaud and his colleagues announced that over 400 state and local organizations have signed a letter against the Oman FTA. The signers of the letter represent religious, labor, human rights, consumer, environmental, and family farm organizations, including several from Maine.

"At the end of the day we need to think about the economic reality that America is facing when considering agreements like the Oman Free Trade Agreement. Our trade deficit hit a record-shattering \$726 billion last year," said Michaud. "Like CAFTA, the Oman agreement will accelerate job loss and lower living standards in the United States, while increasing poverty in the nations we trade with. Oman's laws remain in serious violation of the International Labor Organization's most important and fundamental rights - the freedom of association and the right to organize and bargain collectively."

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